IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

INCOME TAX REFERENCE No 94 of 1987

For Approval and Signature:

Hon'ble MR.JUSTICE A.R.DAVE
and
Hon'ble MR.JUSTICE D.A.MEHTA

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1. Whether Reporters of Local Papers may be allowed to see the judgements? : NO

2. To be referred to the Reporter or not? : NO

3. Whether Their Lordships wish to see the fair copy of the judgement? : NO

4. Whether this case involves a substantial question of law as to the interpretation of the Constitution of India, 1950 of any Order made thereunder? : NO

5. Whether it is to be circulated to the Civil Judge? : NO

GUJARAT STATE PETROCHEMICALS CORPN.

Versus

COMMISSIONER OF INCOME TAX

Appearance:

1. INCOME TAX REFERENCE No. 94 of 1987

MR JP SHAH for Petitioner No. 1

MR MANISH R BHATT for Respondent No. 1

CORAM : MR.JUSTICE A.R.DAVE
and
MR.JUSTICE D.A.MEHTA

Date of decision: 14/08/2001

ORAL JUDGEMENT

(Per : MR.JUSTICE D.A.MEHTA)

1. The Income Tax Appellate Tribunal Ahmedabad Bench `A' has referred the following question under Section 256 (1) of the Income Tax Act, 1961 for the opinion of this Court.

"Whether on the facts and in the circumstances of the case, the Tribunal was right in law in holding that the interest of Rs.66,042/- earned by the assessee during pre-production stage is not a receipt on capital account and is taxable as income under other source?"

2. We have heard Shri M.J. Shah for Shri J.P. Shah learned advocate for the applicant and Shri Akil Qureshi learned advocate for the respondent.

3. It is not necessary to set out the facts in detail as it is common ground between both the sides that the controversy is concluded by decision of Supreme Court in case of Tuticorin Alkali Chemicals and Fertilizers Ltd. v. Commissioner of Income Tax 227 I.T.R. 172.

4. In light of the ratio of the aforesaid decision we answer the question in the affirmative i.e., in favour of the revenue and against the assessee.

The reference stands disposed of accordingly with no order as to costs.

14.8.2001. (A.R. Dave, J.)

(D.A. Mehta, J.)

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